

**MAY 31**  
**2011**

**M SPLIT CORP.**  
**SEMI-ANNUAL REPORT**  
**(UNAUDITED)**



This report may contain forward-looking statements about the Company. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Company action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Company. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Company currently anticipates that subsequent events and developments may cause the Company’s views to change, the Company does not undertake to update any forward-looking statements.

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**M SPLIT CORP.**  
**SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE**  
**MAY 31, 2011**

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This is the semi-annual Management Report of Fund Performance (MRFP) for the period ended May 31, 2011. This MRFP contains financial highlights but does not contain the complete financial statements of the Company. The semi-annual financial statements and accompanying notes are attached to this report.

Investors may also obtain a copy of the Company's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure by visiting our website at [www.m-split.com](http://www.m-split.com) or by writing to the Company at Investor Relations, Royal Trust Tower, 77 King Street West, P.O. Box 341, Toronto, Ontario, M5K 1K7.

These reports are available to view and download at [www.m-split.com](http://www.m-split.com) or [www.sedar.com](http://www.sedar.com).

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## **INVESTMENT OBJECTIVES AND STRATEGIES**

As a result of the corporate reorganization that was approved at a special meeting of shareholders on February 3, 2010 and subsequently implemented on March 23, 2010 (the reorganization date), the Priority Equity shares and Class A shares outstanding on the reorganization date were each exchanged for a new class of shares as outlined further below.

The primary purpose of the reorganization was to provide holders of Priority Equity shares and Class A shares with an opportunity to have those shares reorganized into a new series of shares that would provide greater distribution and capital growth potential, if the common shares of Manulife Financial Corporation (Manulife) increase over the remaining term of the Company. The Priority Equity Portfolio Protection Plan was eliminated at the reorganization date and the fixed income securities held by the Company pursuant to the Plan were sold in order for the newly reorganized Company to re-establish a much more fully invested position in common shares of Manulife. A covered call writing strategy is also used by the Company to provide supplemental income in addition to the dividend income from Manulife common shares.

At the opening of trading on March 23, 2010:

Holders of Priority Equity shares (Symbol: XMF.PR.A) received the following securities in exchange for each Priority Equity share held:

1. One \$5.00 Class I Preferred share (Symbol: XMF.PR.B) (the "Class I Preferred share");
2. One \$5.00 Class II Preferred share (Symbol: XMF.PR.C) (the "Class II Preferred share");
3. One 2011 Warrant (Symbol: XMF.WT); and
4. One 2012 Warrant (Symbol: XMF.WT.A).

Holders of Class A shares (Symbol: XMF) received 0.944808 Capital shares (Symbol: XMF.A) in exchange for each Class A share held. The conversion ratio of 0.944808 was required to maintain an equal number of Capital shares, Class I Preferred shares and Class II Preferred shares after giving effect to the special retraction that was offered to all shareholders prior to the reorganization.

The following is a summary of some of the principal provisions of the Class I Preferred shares, Class II Preferred shares, 2011 Warrants, 2012 Warrants and Capital shares:

### **Class I Preferred Shares**

Each Class I Preferred share (Symbol: XMF.PR.B) pays fixed cumulative preferential monthly dividends to yield 7.50% per annum on the \$5.00 notional issue price and having a repayment objective on December 1, 2014 or such other date as the Company may be terminated (the termination date) of \$5.00.

### **Class II Preferred Shares**

Each Class II Preferred share (Symbol: XMF.PR.C) pays distributions to yield 7.50% per annum on the \$5.00 notional issue price if and when the net asset value per Unit exceeds \$12.50 and having a repayment objective on the termination date of \$5.00. Each "Unit" consists of one Class I Preferred share, one Class II Preferred share and one Capital share.

### **2011 Warrant**

2011 warrants (Symbol: XMF.WT) expired on February 28, 2011.

### **2012 Warrant**

Each 2012 Warrant (Symbol: XMF.WT.A) can be exercised to purchase one Unit for an exercise price of \$12.50 per Unit at specified times until February 28, 2012.

### **Capital shares**

Capital shares (Symbol: XMF.A) will continue to participate in any Net Asset Value growth over \$10.00 per Unit and dividends would be reinstated only if and when the Net Asset Value per Unit exceeds \$15.00. The dividend rate on the Capital shares will be set by the Board of Directors of the Company at its discretion, based on market conditions. No dividend payments will be made on the Capital shares unless all dividends on the Class I Preferred shares and, if applicable, Class II Preferred shares have been declared and paid.

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## **Risk**

The risks of investing in the Company remain as discussed in the Annual Information form dated February 23, 2011. In addition, Note 3 of the annual financial statements ("Management of Risk") contains disclosure on specific types of risks related to the financial investments held by the Company.

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## **RESULTS OF OPERATIONS**

The net asset value per unit (a unit consisting of one Class I Preferred share, one Class II Preferred share and one Capital share) increased by \$1.03 to \$7.57 during the period. This was driven by the continued recovery in the common shares of Manulife which closed at \$ 17.27 which was up 20.9% over the six month period ended May 31, 2011.

Despite this improvement, Manulife common stock remains down approximately 58% since M Split commenced operations on April 18, 2007.

As at May 31, 2011 the Company had 94.6% of net assets invested in Manulife common shares. A selective covered call writing program continues to supplement the dividend income received from the shares of Manulife. Distributions were made at the targeted rate for the Class I Preferred shares during the period. Class II Preferred shares and Capital shares were not eligible to receive distributions under the distribution policy of the Fund as outlined in the Investment Objectives and Strategies section.

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## **DISTRIBUTIONS**

### **Distributions prior to the reorganization date**

As part of the reorganization, accrued cumulative distributions in arrears on the Priority Equity shares as at the reorganization date were added back to the net assets of the Company and the liability was eliminated. This resulted in a \$0.57 increase in the net asset value per unit as at the reorganization date.

### **Distributions since reorganization date on the new classes of shares**

#### **Capital shares**

No distributions paid during the period.

#### **Class I Preferred shares**

At total of 6 regular monthly distributions were paid at the monthly rate of \$0.03125 for a total of \$0.1875 per Class I Preferred share during the period. A total of 15 monthly distributions for a total of \$0.4687 per Class I Preferred share have been paid since the reorganization date.

#### **Class II Preferred shares**

No distributions were paid during the period as the Net Asset Value per unit remains below the required \$12.50 per unit threshold level which would allow the payment of monthly dividends to Class II Preferred shareholders.

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## RECENT DEVELOPMENTS

At its January 2011 meeting, the Canadian Accounting Standards Board (AcSb) decided to extend the deferral of mandatory adoption of IFRS for Investment Companies to fiscal years beginning on or after January 1, 2013. The decision is in response to the International Accounting Standards Board's announcement in late 2010 that its Investment Company project is delayed and will not likely be issued before January 1, 2012, which is the current date of the mandatory adoption of IFRS for these entities.

The Company expects to report its financial results for the six month period ended May 31, 2014 prepared on an IFRS basis. The Company will also provide comparative data on an IFRS basis, including an operating balance sheet as at December 1, 2013.

The Company has not identified any changes that will impact Net Asset Value per unit as a result of the changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional note disclosure and potentially different presentation of shareholder interests and other items in the financial statements of the Company. However this determination is subject to change as the Company finalizes its assessment of potential IFRS differences and as new standards are issued prior to the Company's adoption of IFRS.

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## RELATED PARTY TRANSACTIONS

Quadravest Capital Management Inc. ("Quadravest") as Investment Manager and Manager earn fees from the Fund as described below in the Management Fees section.

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## MANAGEMENT FEES

The Investment Manager is entitled to a base management fee payable monthly in arrears at an annual rate equal to 0.45% effective March 23, 2010 (0.55% prior to the reorganization) of the Company's Net Asset Value calculated as at the last Valuation Date in each month.

Pursuant to the administration agreement, Quadravest is entitled to an administration fee payable monthly in arrears at an annual rate equal to 0.1% of the transactional net assets of the Company, which includes the outstanding Preferred shares, calculated as at each monthly valuation date and an amount equal to the service fee payable to dealers on the Capital shares at a rate of 0.50% per annum. No service fee will be paid in any calendar quarter if regular dividends are not paid to holders of Class A shares in respect of each month in such calendar quarter.

Total management fees of \$57,438 paid for the period ended May 31, 2011 include the base management fee and the administration fee. The base management fee was used by Quadravest to provide investment analysis, make investment decisions, and make brokerage arrangements for the purchase and sale of securities including the covered call writing program. The administration fee was used to provide or arrange administrative services required by the Company which includes all operational services, financial accounting, shareholder reporting and regulatory reporting

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## FINANCIAL HIGHLIGHTS

The following tables show selected financial information about the Company and are intended to help you understand the Company's financial performance. This information is derived from the Company's semi-annual financial statements and previous audited financial statements. The Net Assets included in the Net Assets per unit table is from the Company's financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental data Table is for Transactional pricing purposes and calculated using closing prices (see Note 2 in the financial statements).

## The Company's Net Assets per unit

	Γ	Periods end November 30				┐
	May 31, 2011	2010	2009	2008	2007 <sup>(2)</sup>	
Net assets value per unit, beginning of period <sup>(1)</sup>	6.54	8.54	9.55	19.32	18.97 <sup>(3)</sup>	
Increase (decrease) from operations						
Total revenue	0.11	0.22	0.25	0.41	0.30	
Total expenses	(0.05)	(0.17)	(0.11)	(0.18)	(0.13)	
Realized gains for the period	(0.09)	0.33	(3.04)	(6.27)	0.08	
Unrealized gains (losses) for the period	1.25	(2.57)	2.31	(2.64)	0.77	
Total increase (decrease) from operations <sup>(4)</sup>	<u>1.22</u>	<u>(2.19)</u>	<u>(0.59)</u>	<u>(8.68)</u>	<u>1.02</u>	
Distributions <sup>(5)</sup>						
Taxable Dividends	(0.19)	(0.28)	(0.09)	(1.07)	(0.59)	
Capital gains	-	-	-	-	(0.09)	
Total annual distributions	<u>(0.19)</u>	<u>(0.28)</u>	<u>(0.09)</u>	<u>(1.07)</u>	<u>(0.68)</u>	
Net assets per unit at end of period	7.57	6.54	8.54	9.55	19.32	
Net assets per Class I Preferred share	5.00	5.00	N/A	N/A	N/A	
Net assets per Class II Preferred share	2.57	1.54	N/A	N/A	N/A	
Net assets per Capital share	-	-	N/A	N/A	N/A	
Net assets per unit at end of period	<u>7.57</u>	<u>6.54</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
Net assets per Priority Equity share	N/A	N/A	8.54	9.55	10.00	
Net assets per Class A share	<u>N/A</u>	<u>N/A</u>	<u>-</u>	<u>-</u>	<u>9.32</u>	
Net assets per unit at end of period	<u>N/A</u>	<u>N/A</u>	<u>8.54</u>	<u>9.55</u>	<u>19.32</u>	

- (1) Net Assets per unit is the difference between the aggregate value of the assets of the Company and the aggregate value of the liabilities excluding the Preferred shares (Priority Equity shares prior to March 23, 2010) of the Company on that date divided by the number of units then outstanding.
- (2) Results for the period April 18, 2007 (inception) to November 30, 2007.
- (3) Initial Net Asset Value per unit is after deducting all agents' fees and filing costs in connection with the initial public offering
- (4) Total increase from operations is before the payment of Preferred shares (Priority Equity shares prior to March 23, 2010) and Capital share (Class A share prior to March 23, 2010) distributions and is calculated based on the weighted average number of units outstanding during the period.
- (5) Distributions to Class I Preferred shares, Class II Preferred shares, Capital shares (Priority Equity shares and Class A shares prior to March 23, 2010) are based on the number of Class I Preferred shares, Class II Preferred shares, Capital shares (Priority Equity shares and Class A shares prior to March 23, 2010) outstanding on the record date for each distribution and were paid in cash. Characterization of distributions is based on the tax treatment that is received by investors.

## RATIOS AND SUPPLEMENTAL DATA

	May 31, 2011	Periods ended November 30			
		2010	2009	2008	2007 <sup>(1)</sup>
Net assets (millions)	\$20.7	\$17.9	\$27.2	\$42.7	\$91.8
Number of units outstanding <sup>(2)</sup>	2,735,610	2,735,610	3,188,402	4,429,246	4,753,400
Base Management expense ratio <sup>(3)</sup>	1.35%	2.24%	1.22%	1.09%	1.08%
Management expense ratio including one time initial offering expenses <sup>(4)</sup>	1.35%	2.24%	1.22%	1.09%	6.27%
Management expense ratio per Capital share (Class A share) <sup>(5)</sup>	N/A	N/A	N/A	11.22%	15.92%
Management expense ratio per Class II Preferred share (Priority Equity share) <sup>(6)</sup>	18.01%	2.24%	1.22%	N/A	N/A
Portfolio turnover rate <sup>(7)</sup>	0.0%	131.1%	24.9%	39.1%	5.0%
Trading expense ratio <sup>(8)</sup>	0.0%	0.17%	0.08%	0.11%	0.11%

### New class of shares effective March 23, 2010 (reorganization date)

Closing market price (TSX): Class I Preferred share	\$5.14	\$5.05	N/A	N/A	N/A
Closing market price (TSX): Class II Preferred share	\$1.88	\$1.95	N/A	N/A	N/A
Closing market price (TSX): Capital share	\$0.36	\$0.305	N/A	N/A	N/A

### Original class of shares prior to March 23, 2010 (reorganization date)

Closing market price (TSX): Priority Equity share	N/A	N/A	\$7.50	\$6.51	\$10.10
Closing market price (TSX): Class A share	N/A	N/A	\$0.33	\$0.88	\$7.30

(1) Results for the period April 18, 2007 (inception) to November 30, 2007.

(2) This information is provided as at May 31 or November 30, as applicable.

(3) A separate base management expense ratio has been presented to reflect the normal operating expenses of the Company excluding the one time initial offering expenses and performance fees. Management expense ratio is based on total expenses for the stated period and is expressed as a annualized percentage of average net assets during the period.

(4) Share issue expenses, representing all Agents' fees and other offering expenses.

(5) Management expense ratio for Capital shares (Class A shares prior to March 23, 2010) is based on the requirements of National Instrument 81-106. This Instrument requires that all split share companies produce an expense ratio which allocates all operating expenses of the Company, all distributions on Preferred shares (Priority Equity shares prior to March 23, 2010) and all issuance costs to the Capital shares and expresses this as a annualized percentage of net assets applicable only to the Capital shares during the period. The management expense ratio per Capital share (Class A share prior to March 23, 2010) should not be interpreted as the required return necessary for the Fund or the Capital share to cover the operating expenses of the Company. This calculation is based only on a portion of the Fund's assets whereas the Company utilizes its entire assets to generate investment returns. Management believes that the base management expense ratio per unit disclosed in the table above is the most representative ratio in assessing the ongoing efficiency of the administration of the Company, making comparisons to the expense ratios of single unit mutual funds or determining the minimum investment returns necessary by the Company to achieve growth in Net Assets per unit.

(6) Management expense ratio per Class II Preferred share (Priority Equity share prior to March 23, 2010) is calculated in periods in which the Net Asset Value is less than \$10 per unit (but greater than \$5) and includes all expenses of the Fund and all distributions on Class I Preferred shares. During 2010, this ratio included a blend of the Priority Equity shares (to March 23, 2010) and the Class I and Class II Preferred shares.

(7) The Company's portfolio turnover rate indicates how actively the Company's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Company buying and selling all of the securities in its portfolio once in the course of the year. The Company employs a covered call writing strategy which can cause the portfolio turnover rate to be higher than conventional mutual funds. The higher the Company's portfolio turnover rate in a year, the greater the trading costs payable by the Company in the year and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Company.

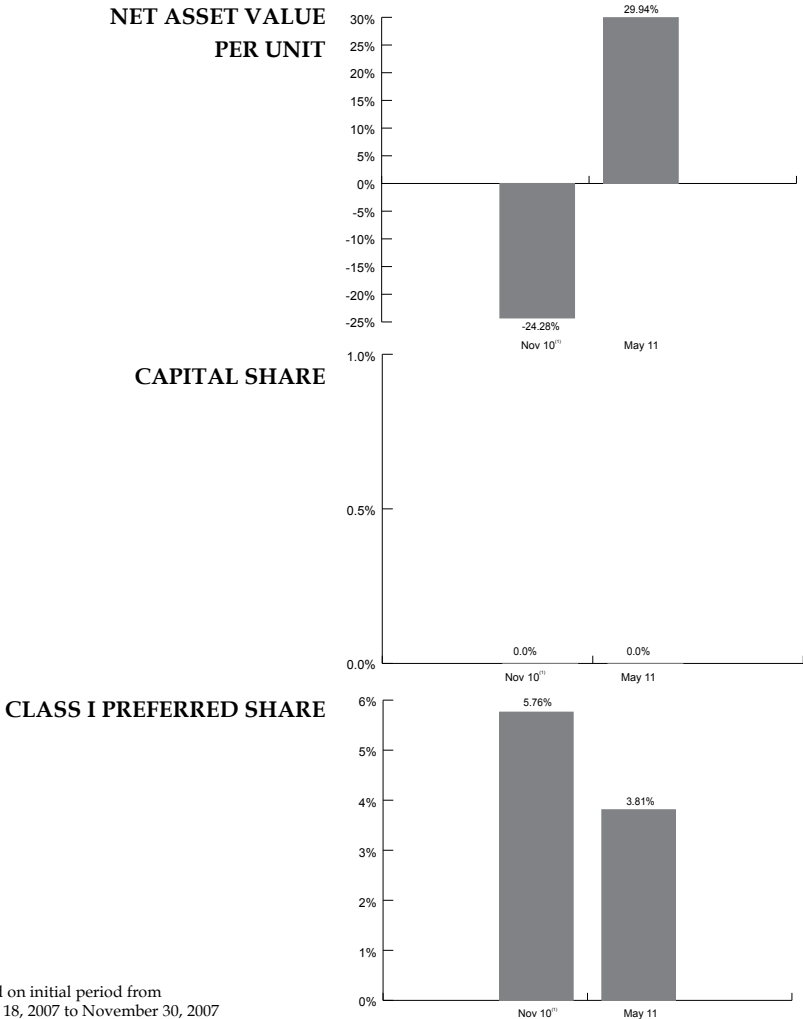
(8) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average net assets during the period.

## PAST PERFORMANCE

Past performance of M Split Corp. has been presented in two distinct time periods due to the corporate reorganization on March 23, 2010. The initial time period from April 18, 2007 to March 23, 2010 reports the performance of the Priority Equity shares and Class A share. The performance of the new class of shares (Class I Preferred shares, Class II Preferred shares and Capital shares) has been reported from the reorganization date (March 23, 2010). Each bar in the chart reflects the change in percentage terms of how a unit and each class of share would have increased or decreased during the applicable period on a Net Asset Value basis.

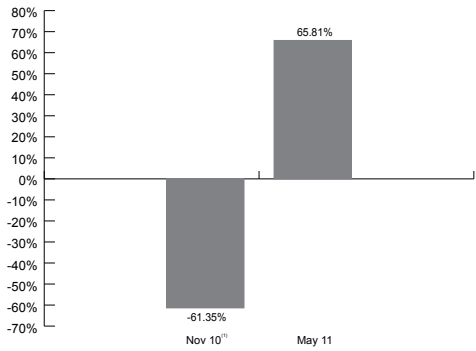
- The performance information shown assumes that all cash distributions made by the Company during the periods shown were reinvested in the applicable securities of the Company,
- The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and,
- Past performance of the Company does not necessarily indicate how it will perform in the future.

### Performance of New Classes of shares Since Reorganization (March 23, 2010)



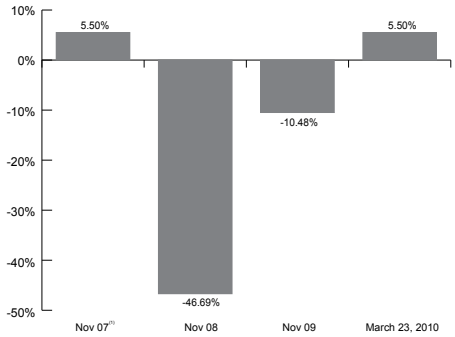
<sup>(1)</sup> Based on initial period from April 18, 2007 to November 30, 2007

## CLASS II PREFERRED SHARE

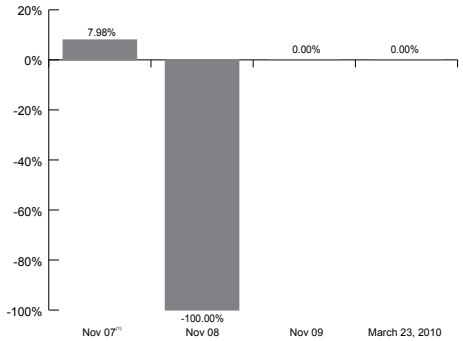


Performance of Original Classes of shares from inception (April 18, 2007) to the reorganization date (March 23, 2010)

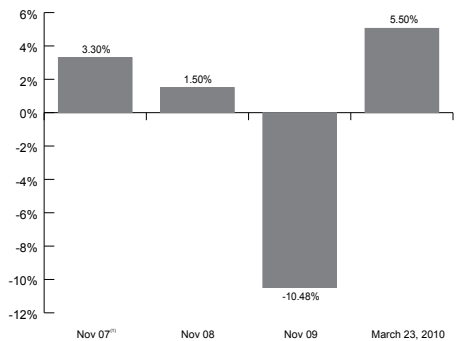
## NET ASSET VALUE PER UNIT



## CLASS A SHARE



## PRIORITY EQUITY SHARE



<sup>(1)</sup> Based on initial year from April 18, 2007 to November 30, 2007

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**SUMMARY OF INVESTMENT PORTFOLIO**  
**All holdings as at May 31, 2011**

Name	Weighting (%)
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Manulife Financial Corporation	94.6%
Other net assets	5.4%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Company.  
Updates are available quarterly.

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**M SPLIT CORP.****MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of M Split Corp. (the "Company") and all the information in this semi-annual report are the responsibility of management and have been approved by the Board of Directors of the Company.

The Company maintains appropriate procedures to ensure that relevant and reliable financial information is produced. Statements have been prepared in accordance with Canadian generally accepted accounting principles and may include certain amounts that are based on estimates and judgments. The significant accounting policies applicable to the Company are described in Note 2 to the financial statements.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

The Company's independent auditors have not performed a review of these semi annual financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

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**M SPLIT CORP.****STATEMENTS OF FINANCIAL POSITION**

AS AT MAY 31, 2011 AND NOVEMBER 30, 2010 (UNAUDITED)

	May 31, 2011 (\$)	November 30, 2010 (\$)
<b>ASSETS</b>		
Investments - at fair value (note 3)	19,570,938	16,121,944
Cash	1,126,318	1,913,743
Interest, dividends and other receivables	148,447	146,788
<b>Total Assets</b>	<b><u>20,845,703</u></b>	<b><u>18,182,475</u></b>
<b>LIABILITIES</b>		
Fees and other accounts payable	49,623	57,835
Payable in respect of investments purchased	-	144,237
Dividends payable	85,488	85,488
Class I Preferred shares	13,678,050	13,678,050
Class II Preferred shares	7,032,542	4,216,865
Warrants (note 3 and 7)	14,234	28,468
	<b><u>20,859,937</u></b>	<b><u>18,210,943</u></b>
<b>SHAREHOLDERS' EQUITY</b>		
Class A and Class B shares (note 6)	24,677,372	24,677,372
Deficit	(24,691,606)	(24,705,840)
	<b><u>(14,234)</u></b>	<b><u>(28,468)</u></b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b><u>20,845,703</u></b>	<b><u>18,182,475</u></b>
Number of units (1 Class I Preferred share , 1 Class II Preferred share and 1 Capital share) outstanding		
	2,735,610	2,735,610
Net assets per unit (note 3)	\$7.57	\$6.54
Net assets per Class I Preferred share (note 3)	\$5.00	\$5.00
Net assets per Class II Preferred share (note 3)	\$2.57	\$1.54
Net assets per Capital Share (note 3)	-	-

Approved on behalf of the Board of Directors

**WAYNE FINCH**Chairman and  
Chief Investment Officer**PETER CRUICKSHANK**Managing Director and  
Chief Financial Officer

**M SPLIT CORP.****STATEMENTS OF OPERATIONS AND DEFICIT**FOR THE SIX MONTH PERIOD ENDED **MAY 31** (UNAUDITED)

	2011	2010
	(\$)	(\$)
<b>INCOME</b>		
Dividends	294,034	144,482
Interest	-	209,749
	<u>294,034</u>	<u>354,231</u>
<b>EXPENSES (note 7)</b>		
Management fees	57,438	73,921
Audit fees	8,993	9,762
Directors' fees	9,085	9,512
Independent Review Committee fees	1,766	1,766
Custodian fees	8,542	18,328
Legal fees	11,746	14,492
Shareholder reporting costs	4,080	262,354
Other operating expenses	26,198	14,575
Harmonized sales tax/Goods and services tax	13,499	20,235
	<u>141,347</u>	<u>424,945</u>
<b>Net investment income (loss)</b>		
before distributions on Preferred shares	152,687	(70,714)
<b>Distributions on Preferred shares (note 5 and 9)</b>	<u>(512,927)</u>	<u>(266,887)</u>
<b>Net loss for the period</b>	<u>(360,240)</u>	<u>(337,601)</u>
<b>Realized and unrealized gain (loss)</b>		
on investments and options and transaction costs		
Net realized gain (loss) on investments and options	(249,997)	944,090
Change in unrealized appreciation (depreciation) of investments	3,425,920	(3,513,197)
Transaction costs on purchase and sale of investments (note 3)	-	(33,972)
	<u>3,175,923</u>	<u>(2,603,079)</u>
<b>Net gain (loss) on investments and options for the period</b>	<u>3,175,923</u>	<u>(2,603,079)</u>
<b>Change in Value of Preferred shares</b>	(2,815,683)	955,221
<b>Net allocation on retractions of Preferred shares</b>	-	590,530
<b>Reduction in Priority Equity share dividend</b>		
accrual from reorganization	-	1,394,929
<b>Reduction from fair value accounting</b>		
recognition on warrants (note 3 and 7)	14,234	(142,340)
<b>Increase (decrease) in net assets from operations for the period</b>	<u>14,234</u>	<u>(142,340)</u>
<b>Deficit - Beginning of period</b>	(24,705,840)	(28,761,915)
<b>Net allocations on retractions</b>	-	3,081,566
<b>Deficit - End of period</b>	<u>(24,691,606)</u>	<u>(25,822,689)</u>
<b>Decrease in net assets from operations</b>		
per Capital share	0.01	(0.05)

The accompanying notes are an integral part of these financial statements.

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**M SPLIT CORP.****STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

FOR THE SIX MONTH PERIOD ENDED MAY 31 (UNAUDITED)

	2011	2010
	(\$)	(\$)
<b>Shareholders' equity - Beginning of period</b>	<b>(28,468)</b>	<b>-</b>
Increase (decrease) in net assets from operations for the period	14,234	(142,340)
Capital share redemptions	-	(3,081,566)
Net allocation on retractions	-	3,081,566
<b>Increase (decrease) in net assets for the period</b>	<b><u>14,234</u></b>	<b><u>(142,340)</u></b>
<b>Shareholders' equity - End of period</b>	<b><u>(14,234)</u></b>	<b><u>(142,340)</u></b>

The accompanying notes are an integral part of these financial statements.

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**M SPLIT CORP.****STATEMENTS OF CASH FLOW**FOR THE SIX MONTH PERIOD ENDED **MAY 31** (UNAUDITED)

	2011	2010
	(\$)	(\$)
<b>Cash flow from Operating activities</b>		
Net investment loss for the period	(360,240)	(337,601)
Proceeds from sale of investments	(250,003)	26,688,062
Purchase of investments	(167,312)	(20,784,803)
Net change in interest, dividends and other receivable balances	(1,659)	(142,762)
Net change in fees, other accounts payable and dividends payable on Preferred shares	<u>(8,212)</u>	<u>218,635</u>
Cash flow from operations	(787,426)	5,641,531
<b>Cash flow from Shareholder activities</b>		
Amount paid on redemption of Capital shares and Preferred shares	-	(2,825,537)
Cash flow from Shareholder activities	<u>-</u>	<u>(2,825,537)</u>
Increase (decrease) in cash for the period	(787,426)	2,815,994
Cash, beginning of period	<u>1,913,743</u>	<u>620,374</u>
<b>Cash, end of period</b>	<b><u>1,126,318</u></b>	<b><u>3,436,368</u></b>
<b>Supplemental information</b>		
Distributions paid on Class I Preferred shares	512,927	266,887

The accompanying notes are an integral part of these financial statements.

**M SPLIT CORP.**  
**STATEMENT OF PORTFOLIO INVESTMENTS**  
AS AT MAY 31, 2011 (UNAUDITED)

No. of shares	Description	Average Cost (\$ (Premiums received)	Fair Value (\$)
	<b>Core Holding</b>		
	<b>Canadian Common Equities</b>		
1,134,400	Manulife Financial Corporation	22,765,656	19,591,088
	<b>Total Canadian Common Equities in Core Holding (100.1%)</b>	<u>22,765,656</u>	<u>19,591,088</u>
<b>No. of contracts</b>	<b>Call options written (100 shares per contract)</b>		
(325)	Manulife Financial Corporation @ \$17, June 2011	(16,575)	(16,900)
(325)	Manulife Financial Corporation @ \$18, June 2011	<u>(9,750)</u>	<u>(3,250)</u>
	<b>Total Canadian call options written (-0.1%)</b>	<u>(26,325)</u>	<u>(20,150)</u>
		<u>22,739,331</u>	<u>19,570,938</u>
	less adjustment for transaction costs	<u>(33,703)</u>	
	<b>Total Investments (100%)</b>	<u>22,705,628</u>	<u>19,570,938</u>

The Statement of Portfolio Investments is at May 31, 2011 and may or may not be indicative of the current portfolio.

The accompanying notes are an integral part of these financial statements.

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# M SPLIT CORP.

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED MAY 31, 2011 AND 2010 (UNAUDITED)

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### 1. Incorporation

M Split Corp. (the "Company") is a mutual fund corporation established under the laws of the Province of Ontario on February 12, 2007 that began investment operations on April 18, 2007. A corporate reorganization was approved at the special meeting of shareholders on February 3, 2010 and subsequently implemented on March 23, 2010 (the reorganization date). All Priority Equity shares and Class A shares outstanding on the reorganization date were exchanged for a new class of shares with a different set of attributes (see Note 4, 5 and 6 for a more complete discussion). The manager and the investment manager of the Company is Quadravest Capital Management Inc. ("Quadravest"). All Class I Preferred shares, Class II Preferred shares and Capital shares outstanding on December 1, 2014, the termination date of the Company, will be redeemed by the Company on the earlier of December 1, 2014 or such time if the Net Assets of the Company decline below \$5 million.

### 2. Sufficiency of Assets

The Company has 2,735,610 Class II Preferred shares outstanding as at May 31, 2011 with a principal repayment target of \$5.00 per Class II Preferred share for a total of \$13,768,050 on the termination date, December 1, 2014. As at May 31, 2011, the Company has Net Assets equivalent to \$2.57 per Class II Preferred share for a total of \$7,032,542. This represents a deficiency as at May 31, 2011 of \$2.43 per Class II Preferred share for a total deficiency of \$6,735,508.

### 3. Summary of significant accounting policies

These financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), include estimates and assumptions by management that affect the reported amount of assets, liabilities, income and expenses during the reporting years. Actual results could differ from these estimates.

The following is a summary of the significant accounting policies followed by the Company.

#### Valuation of investments

Investments are categorized as held for trading and are recorded at fair value for purposes of determining the Net Assets per unit reflected in the financial statements.

The fair value of investments as at the financial reporting date is determined as follows:

- Shares or other securities for which market quotations are readily available are valued at the closing bid price
- Call options written are valued at closing ask prices as reported on recognized exchanges
- Fixed income investments are based on the average bid quotations from recognized dealers

National Instrument 81-106 ("NI 81-106") requires an investment fund to calculate its Net Asset Value for the purposes of any purchases or redemption of units based on the fair value of the investment fund's assets and liabilities (Net Asset Value or NAV).

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# M SPLIT CORP.

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED MAY 31, 2011 AND 2010 (UNAUDITED)

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The fair value of investments for purposes of calculating the bi monthly Net Asset Value used for the purposes of calculating the price paid on any redemptions received is determined as follows:

- Shares or other securities for which market quotations are readily available are valued at the last traded market price
- Call options written are valued at the last traded prices as reported on recognized exchanges
- Fixed income investments are based on the average bid quotations from recognized dealers

In accordance with NI 81-106, the Net Asset Value per unit is compared to the Net Assets per unit and the difference is required to be disclosed in the notes to the financial statements. The following table is presented to show the differences between these amounts:

	Net Assets (GAAP) per unit	Difference	Net Asset Value (Published NAV) per unit
May 31, 2011	\$7.57	-	\$7.57
November 30, 2010	\$6.54	\$0.01	\$6.55

### Transaction costs

- Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Company are recognized as an expense in the Statement of Operations and Deficit.

### Investment transactions and income recognition

- Investment transactions are accounted for on the trade date
- Realized gains and losses on investment sales and unrealized appreciation or depreciation in investment values are calculated on the average cost basis
- Written call option income received is deferred and included in investments on the statements of financial position. Realized capital gains or losses are recognized in the statements of operations when options are exercised, expire or are closed out
- Deferred gains and losses on options are recognized in investments and as a component of net unrealized appreciation (depreciation) in the statements of operations
- Dividend income is recognized on the ex-dividend date. Interest income is recognized when earned
- Net realized gains and losses on investments include net realized gains or losses from foreign currency changes

### Redeemable Class I and Class II Preferred shares

In accordance with their terms, each redeemable Class I Preferred share is valued at the lesser of: (i) \$5.00; and (ii) the Net Assets of the Company divided by the number of Class I Preferred shares outstanding. Each redeemable Class II Preferred share is valued at the amount, if any, of the difference between the Net Assets per unit of the Company and \$5.00 (the par value of the Class I Preferred shares) subject to a maximum value of \$5.00 per share. The Net Assets are equal to the difference between the aggregate value of the assets of the Company and the aggregate value of its liabilities, excluding Class I and Class II Preferred shares of the Company.

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# M SPLIT CORP.

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED MAY 31, 2011 AND 2010 (UNAUDITED)

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### Other Assets and Liabilities

Other assets are designated as loans and receivables and recorded at cost or amortized cost. Similarly, other liabilities are designated as financial liabilities and reported at cost or amortized cost. Cost or amortized cost approximates fair value for these assets and liabilities due to their short-term nature.

### Warrants

Warrants are valued at the closing ask price on the TSX as required under GAAP and are expressed as a liability for financial statement purposes but do not affect the calculation of the Net Asset Value per unit for transactional purposes. For transactional purposes, if at any time while any 2012 warrants are outstanding the Net Asset Value per unit is in excess of \$12.50, a diluted Net Asset Value per unit will be calculated in addition to the basic Net Asset Value per unit, and any payment of retraction proceeds will be based on the diluted Net Asset Value per unit.

### 4. Management of Risk of Financial Instruments

CICA Handbook – Accounting Section 3862, Financial Instruments-Disclosures (“Section 3862”) requires disclosure about the inputs to fair value measurements, including the classification with a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The following table illustrates the classification of the Company’s financial instruments within the fair value hierarchy as at May 31, 2011 and November 30, 2010:

#### Financial assets at fair value as at May 31, 2011

	Level 1	Level 2	Level 3	Total
Equities	\$19,591,088	-	-	\$19,591,088
Options	<u>(\$20,150)</u>	<u>-</u>	<u>-</u>	<u>(\$20,150)</u>
	<b>\$19,570,938</b>	<b>-</b>	<b>-</b>	<b>\$19,570,938</b>

#### Financial assets at fair value as at November 30, 2010

	Level 1	Level 2	Level 3	Total
Equities	\$16,176,544	-	-	\$16,176,544
Options	<u>(\$54,600)</u>	<u>-</u>	<u>-</u>	<u>(\$54,600)</u>
	<b>\$16,121,944</b>	<b>-</b>	<b>-</b>	<b>\$16,121,944</b>

The Company’s investment activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

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# **M SPLIT CORP.**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED MAY 31, 2011 AND 2010 (UNAUDITED)**

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**Any sensitivity analysis presented below may differ from actual results and the difference could be material.**

### **Market Price Risk**

All securities investments present a risk of loss of capital.

The market price risk is affected by three main components: price movements, interest rate risk and foreign currency movements.

#### **Price risk**

As at May 31, 2011, the Company's exposure to Manulife common shares was 94.5% (November 30, 2010-90.1%) of the Net Assets of the Company.

A 10% increase /decrease in Manulife common shares would currently increase/decrease Net Assets of the Company by \$1,957,094 (November 30, 2010-\$1,612,194).

#### **Interest rate risk**

As a result of the reorganization, the majority of the Company's financial assets are now invested in financial assets and liabilities that are non interest bearing. As a result, the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates and consider interest rate insignificant (November 30, 2010-\$NIL).

#### **Currency risk**

The portfolio holding and other Net Assets are denominated in Canadian dollars and therefore there is no currency risk (consistent with previous period).

### **Other risks**

#### **Credit risk**

Credit risk is defined as the risk that a counterparty will be unable to pay amounts in full when due. All of the Company's transactions are in listed securities and options and are settled and paid for using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker.

#### **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company is exposed to liquidity risk primarily through its monthly and annual retractions of Capital shares and Class I and Class II Preferred shares. The Company receives adequate notice for all retraction requests. The Company's Portfolio is invested in Manulife which is a highly liquid large capitalization stock that trades on the Toronto Stock Exchange ("TSX") (consistent with previous period). All Capital shares and Class I and Class II Preferred shares outstanding are redeemable on demand but are scheduled to be redeemed upon termination of the Company on December 1, 2014. All other financial liabilities excluding warrants (see note 6) are payable within three months from the end of the year.

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**M SPLIT CORP.****NOTES TO FINANCIAL STATEMENTS**FOR THE SIX MONTH PERIOD ENDED **MAY 31, 2011 AND 2010 (UNAUDITED)**

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**Concentration risk**

The Company's only equity holding is concentrated in the common stock of Manulife and as such will be exposed to the specific factors that affect this stock (consistent with prior period.)

**5. Class I and Class II Preferred shares**

The Company is authorized to issue an unlimited number of Class I Preferred shares and an unlimited number of Class II Preferred shares. As a result of the reorganization on March 23, 2010, each Priority Equity share outstanding on that date was converted into one Class I Preferred share, one Class II Preferred share, one 2011 warrant and one 2012 warrant (see Note 6 for warrants.)

<u>Issued and outstanding</u>	May 31, 2011	May 31, 2010
2,735,610 Class I Preferred shares (May 31, 2010-2,846,795)	\$13,678,050	\$14,233,975
2,735,610 Class II Preferred shares	\$13,678,050	\$14,233,975
less reduction in value of Class II Preferred shares	<u>(\$6,645,508)</u>	<u>(\$5,617,378)</u>
	\$7,032,542	\$8,616,597

**Preferred share transactions**

Class I and Class II Preferred shares/Priority Equity shares beginning of period	2,735,610	3,188,402
Priority Equity share redemptions	-	(341,607)
Priority Equity shares reorganized into Class I and Class II Preferred shares	-	(2,846,795)
Class I and Class II Preferred shares issued at reorganization date	-	2,846,795
Class I and Class II Preferred share redemptions	<u>-</u>	<u>-</u>
Class I and Class II Preferred shares end of period	2,735,610	2,846,795

Class I Preferred shares are entitled to fixed cumulative monthly dividends of \$0.03125 per share. Class II Preferred shares are entitled to monthly dividends of \$0.03125 per share if and when the Net Asset Value per unit exceeds \$12.50. All Class I and Class II Preferred shares outstanding on December 1, 2014 will be redeemed by the Company on that date. Class I Preferred shares have a repayment objective of \$5.00 and rank in priority to the Class II Preferred shares and Capital shares upon the winding up of the Company. Class II Preferred shares have a repayment objective of \$5.00 and rank behind the Class I Preferred shares but ahead of the Capital shares. Class I and Class II Preferred shares trade under the symbols "XMF.B" and "XMF.C" respectively on the TSX. The trading price as at May 31, 2011 of Class I Preferred shares and Class II Preferred share was \$5.14 and \$1.88 respectively (November 30, 2010-\$5.05 and \$1.95 respectively). The Class I and Class II Preferred shares have been presented as liabilities in the financial statements.

Class I and Class II Preferred shares may be surrendered at any time for retraction at specified retraction amounts, but will be retracted only on the last day of each month. Shareholders who concurrently retract a Class I Preferred share, a Class II Preferred share and a Capital share (together, a "unit") in the month of October in each year will be entitled to receive an amount equal to the Net Asset Value per unit calculated on the last day of October. Class I and Class II Preferred shares retracted in any other month will receive a retraction price based on a discounted specified retraction formula. Under the terms of a Recirculation Agreement, the Company may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Class I and Class II Preferred shares or Capital shares tendered for retraction.

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**M SPLIT CORP.****NOTES TO FINANCIAL STATEMENTS**FOR THE SIX MONTH PERIOD ENDED **MAY 31, 2011 AND 2010 (UNAUDITED)**

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**6. Capital shares**

The Company is authorized to issue an unlimited number of Capital shares. As a result of the reorganization on March 23, 2010, each Class A share outstanding on that date was converted into one Capital share.

<u>Issued and outstanding</u>	May 31, 2011	May 31, 2010
2,735,610 Capital shares (May 31, 2010-2,846,795)	\$24,676,372	\$25,679,349
1,000 Class B shares	\$1,000	\$1,000
	<u>\$24,677,372</u>	<u>\$25,680,349</u>
<u>Capital share transactions</u>		
Capital shares/Class A shares beginning of period	2,735,610	3,188,402
Class A share redemptions/consolidated	-	(341,607)
Class A shares reorganized into Capital shares	-	(2,846,795)
Capital shares issued at reorganization date	-	2,846,795
Capital share redemptions	-	-
	<u>2,735,610</u>	<u>2,846,795</u>

Capital shares will participate in any Net Asset Value growth over \$10 per unit. The dividend on the Capital shares will only be reinstated if and when the Net Asset Value per unit exceeds \$15. The dividend rate on the Capital shares at such time will be set by the Board of Directors of the Company at its discretion, based on market conditions. All Capital shares outstanding on December 1, 2014 will be redeemed by the Company on that date.

Capital shares trade under the symbol "XMFA" on the TSX. The Capital shares trading price on the TSX was \$0.36 as at May 31, 2011 (November 30, 2010- \$0.305). Capital shares may be surrendered at any time for retraction at specified retraction amounts, but will be retracted only on the last day of each month. Shareholders who concurrently retract a Capital share and a Class I Preferred and a Class II Preferred shares (together, a "unit") in the month of October in each year will be entitled to receive an amount equal to the Net Asset Value per unit calculated on the last day of October. Capital shares retracted in any other month will receive a retraction price based on a discounted specified retraction formula. Under the terms of a Recirculation Agreement, the Company may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Class I and Class II Preferred shares or Capital shares tendered for retraction. The Class I and Class II Preferred shares rank in priority to the Capital shares with respect to the payment of dividends. Upon the termination of the Company, Capital shareholders will receive an amount equal to the Net Asset Value per unit less \$10 (the redemption value of the Class I and Class II Preferred shares).

The holders of Class B shares are not entitled to receive dividends. The Class B shares are retractable at a price of \$1.00 per share. Class B shareholders are entitled to one vote per share. On April 18, 2007, the Company issued \$1,000 Class B shares to M Split Corp. Holding Trust for cash consideration of \$1,000.

The Deficit in the Statement of Financial Position includes contributed surplus of \$18,199,213 (May 31, 2010-\$14,705,203) in connection with amounts paid on the retractions of Capital shares. Contributed surplus arises when the amount of the retraction allocated to the Capital shares is less than the average cost of capital per share of the Capital shares.

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# M SPLIT CORP.

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED MAY 31, 2011 AND 2010 (UNAUDITED)

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### 7. Warrants

As a result of the reorganization of the Company each Priority Equity shareholder on record on March 23, 2010 received: (1) a 2011 warrant could have been exercised to purchase a unit (one Class I Preferred share, one Class II Preferred share and one Capital share) for an exercise price of \$10.00 at specified times until February 28, 2011; and (2) a 2012 warrant that can be exercised to purchase a unit (one Class I Preferred share, one Class II Preferred share and one Capital share) for an exercise price of \$12.50 at specified times until February 28, 2012. A total of 2,846,795 2011 and 2012 warrants were issued on March 22, 2010. The 2012 warrant trades on the TSX under the symbol "XMF.WT.A". The 2012 warrant trading prices was \$0.005 on May 31, 2011. As at May 31, 2011, no warrants had been exercised. For transactional purposes, if at any time while any 2012 warrants are outstanding the Net Asset Value per unit is in excess of \$12.50, a diluted Net Asset Value per unit will be calculated in addition to the basic Net Asset Value per unit, and any payment of retraction proceeds will be based on the diluted Net Asset Value per unit.

### 8. Expenses

The Company is responsible for all expenses incurred in connection with the operation and administration of the Company, including, but not limited to, ongoing custodian, transfer agent, legal and audit expenses.

Pursuant to the administration agreement, Quadravest is entitled to an administration fee payable monthly in arrears at an annual rate of 0.10% of the Net Assets of the Company, which includes the outstanding Class I and Class II Preferred shares, calculated as at each monthly valuation date and an amount equal to the service fee payable to dealers on the Capital shares at a rate of 0.50% per annum. No service fee will be paid in any calendar quarter if regular dividends are not paid to holders of Capital shares in respect of each month in such calendar quarter.

Pursuant to the terms of the investment management agreement, Quadravest is entitled to a base management fee payable in arrears at an annual rate equal to 0.45% (0.55% prior to March 22, 2010) of the transactional net assets of the Company, which includes the outstanding Class I and Class II Preferred shares, calculated as at each monthly valuation date.

Total management fees of \$57,438 (May 31, 2010-\$73,921) incurred during the period include the administration fee and base management fee.

The brokerage commissions paid during the period by the Company for its Portfolio transactions were \$NIL (May 31, 2010-\$33,792).

### 9. Distributions

The Company's investment objectives are to provide steady monthly distributions to both the Class I and Class II Preferred shareholders and Capital shareholders while returning the original issue price to each shareholder on the termination date of the Company on December 1, 2014.

Distributions per share were as follows:

	May 31, 2011	May 31, 2010
Priority Equity shares	-	-
Class A shares	-	-
Class I Preferred shares	\$0.1875	\$0.09375
Class II Preferred shares	-	-
Capital shares	-	-

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# M SPLIT CORP.

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED MAY 31, 2011 AND 2010 (UNAUDITED)

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### 10. Capital Management

The Company considers its capital to consist of Capital, Class B and Class I and Class II Preferred shares.

The Company's objectives in managing its capital are:

- i) to provide holders of Class I Preferred shares with fixed cumulative preferential monthly cash dividends in an amount of \$0.03125 per Class I Preferred share to yield 7.50% per annum on the notional issue price and to return \$5.00 per share to their holders on December 1, 2014;
- ii) to provide holders of Class II Preferred shares with monthly cash dividends of \$0.03125 per Class II Preferred share to yield 7.50% on the \$5 notional issue price if and when the Net Asset Value per unit exceeds \$12.50 and having a repayment objective on December 1, 2014 of \$5.00 and
- iii) to provide holders of Capital shares with growth above the value of the Class I and Class II Preferred shares.

Prior to the reorganization, the Company's objectives in managing its capital were:

- i) to provide holders of Priority Equity shares with fixed cumulative preferential monthly cash dividends in an amount of \$0.04375 per Priority Equity share to yield 5.25% per annum on the original issue price and to return the original issue price to their holders on December 1, 2014; and
- ii) to provide holders of Class A shares with regular monthly cash distribution targeted to be \$0.05 per Class A share to yield 6.0% on the original issue price and return the original issue price to their holders on December 1, 2014.

In order to manage its capital structure, the Company may adjust the amount of dividends paid to shareholders or return capital to shareholders.

### 11. Income Taxes

The Company is a mutual fund corporation as defined in the Income Tax Act (Canada) (the "Act") and is subject to tax in respect of its net realized capital gains. This tax is refundable in certain circumstances. Also, the Company is generally subject to a tax of 33-1/3% under Part IV of the Act on taxable dividends received in the year. This tax is fully refundable upon payment of sufficient dividends.

The Company is also a financial intermediary corporation as defined in the Act and, as such, is not subject to tax under Part IV.1 of the Act on dividends received nor is it generally liable to tax under Part VI.1 on dividends paid on taxable Preferred shares.

Temporary differences between the carrying value of assets and liabilities for accounting and income tax purposes give rise to future income tax assets and liabilities. When the market value of a security in the Company exceeds its cost base, a future income tax liability arises. As capital gains taxes payable by the Company are refundable under the provisions of the Income Tax Act (Canada), the future tax liability is offset by these future refundable taxes. If the cost base exceeds the market value of the security, a future income tax asset is generated. A full valuation allowance is taken to offset this asset given the uncertainty that such future assets will ultimately be realized. Future income tax liabilities or assets are calculated using substantively enacted tax rates expected to apply in the period that the temporary differences are expected to reverse.

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**M SPLIT CORP.****NOTES TO FINANCIAL STATEMENTS****FOR THE SIX MONTH PERIOD ENDED MAY 31, 2011 AND 2010 (UNAUDITED)**

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The Company has estimated accumulated non capital losses for tax purposes of \$3,707,890 (May 31, 2010-\$3,031,614) that are available to lower taxable income in future years if required and expire after the scheduled termination date of the Company on December 1, 2014. The Company also has estimated accumulated capital losses for tax purposes of \$25,467,146 (May 31, 2010-\$25,467,146) which may be used to lower future capital gains if required.

**12. Comparative Financial Statements**

Certain 2010 comparative figures have been reclassified from statements previously presented to conform to the presentation of the 2011 financial statements.

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## **QUADRVEST CAPITAL MANAGEMENT INC.**

Quadravest Capital Management Inc. was formed in 1997 and is focused on the creation and management of enhanced yield products for retail investors. The investment strategy combines fundamental based equity investing with covered call writing. Guided by four key principles, Quadravest sets attainable investment objectives that allow the team to stay focused on a long-term investment strategy.

The four principles – innovation in financial products, discipline in investment management, solid results for investors, and excellence in client service – form the foundation of Quadravest. Each member of the firm’s tight-knit team is committed to upholding these principles, ensuring a coherence and dedication that is unique to the Company.

Quadravest has raised over \$2.5 billion in initial public offerings.

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## **BOARD OF DIRECTORS**

Wayne Finch,  
Chairman and  
Chief Investment Officer

Laura Johnson,  
Managing Director and  
Portfolio Manager

Michael W. Sharp  
Blake, Cassels & Graydon LLP

Peter Cruickshank,  
Managing Director and  
Chief Financial Officer

William Thornhill,  
President, William C.  
Thornhill Consulting Inc.

John Steep  
President, S. Factor Consulting Inc.

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## **CORPORATE DETAILS**

### **Auditors**

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77 King Street West, P.O. Box 82  
Toronto, Ontario M5K 1G8

### **Transfer Agent**

Computershare  
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### **Legal Counsel**

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### **Custodian**

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